

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
FOR INSTITUTIONS  
FEBRUARY 12, 1981

DIRECTOR'S PROGRAM

JACK K. MOORE, Chairman called the meeting for the Director's Program to order at 8:50 a.m. All Committee members were present.

Testimony was given by Carroll South, Director of Institutions; Curt Chisholm, Deputy Director of Institutions; Jim Hauben, Director of Management Services; Ray Hoffman, Fiscal Analyst; and Mr. Lewis, Director of Budget Planning.

MR. SOUTH explained there is a difference of 1 FTE between the LFA and the Executive budget. He referred to Exhibit 102, Page 4.

He noted that there were two lawyer positions, one was filled for approximately three months, and then vacated. Only one position is being requested for FY82 and FY83. The difference with the LFA is an Administrative Office IV. He is requesting this position remain within his office, where it is currently, and be funded in the revolving fund with 1/2 of the cost to the industry program, and 1/2 cost to the ranch. He stated, if the ranch is ever going to be functional, the major policy decisions have to come from the Director's office. He noted the last legislative session put the burden on the Director to see if the ranch was making any money, and if not what could be done about it.

SEN. JOHNSON asked what the background of the Administrative Office IV was.

MR. SOUTH noted SANDY HARRIS is the Administrative Office IV, and would be accountable to him regarding the ranch business. Her background is an analyst position, with a Master's Degree in Biology.

SEN. ETCHART asked about the money appropriated last biennium for an accounting system to be setup for the ranch.

MR. HAUBEIN stated they hired Frank Smoyer, CPA.

MR. SOUTH explained Page 5 in Contracted Services. He noted that everything was taken off the 80 base, except for legal fees. He stated there were a lot of potential problems for litigation within the state institutions, and thus it is difficult to predict what the future costs will be. The Department decided to ask for \$5,000 for each year of the biennium, to assist in any outside legal fees that may arise.

The Chairman asked about the two different charges to Mark P. Sullivan.

MR. HAUBEIN stated this involves two different charges. Some of those charges were transferred to other divisions, because the director's office did not have enough money to absorb the cost.

Mr. Sullivan's costs were transferred partially to Mental Health and Residential Division, he noted with the Management Service Division there was \$1285 for costs for Mr. Garrity, and there is \$65 remaining in the Director's Budget.

MR. SOUTH stated that he would like to have the capability to contract for a private physician, so that he could be sent to all of the institutions to insure the medical care is adequate, and the drug and prescription area is not being abused. This is put into the modified request for \$5,628. He explained Supplies and Materials Page 6, and stated the gasoline and ammunition request has been deleted. He noted there is a Correction Division car assigned to the Central Division Office, which he will assign elsewhere, and have everyone use state motor pool cars. On Page 8, regarding Travel, the only out of state travel, meals and lodging pertain to an anticipated two day trip to San Francisco by the staff lawyer to the Appeals Court. In Other Expenditures, Page 12, regarding the Institution Industries Revolving Account, the Department would like to have agency dues at \$25.00 rather than \$10.00 to an individual. He noted in the registration fees, this is decreased because of one time expense items in FY 80.

REP. CONROY asked about the cost of the chairs, Page 13.

MR. SOUTH stated this was a different type of chair than what was to be made for the other institutions. In case the Industries Program is not approved, then the Department would like to have this money to buy from another source. He stated on the modified, Exhibit 103, Page 4, relates to the amount of travel anticipated by the private physician. He feels it is important for the Department to have this flexibility, so that problem areas like the drugs at the prison can be looked into.

SEN. JOHNSON asked about the relationship of the money in the budget already allocated to Dr. Strizich, to the modified request.

MR. SOUTH explained this is in addition to what is already in the base budget.

MR. HOFFMAN stated when the Department of Institutions originally put their budget together, they requested a Medical Standards Review Committee, which was aimed at evaluating current positions, within the institutions, and as a resource to the Director. They were also to determine the salaries for certain positions. When the request was submitted, the LFA felt this was a legitimate request.

SEN. JOHNSON asked why the Department doesn't go to the PSRO.

MR. HOFFMAN explained that each institution that has medical services must also have medical by-laws. He noted when medications are given to people in Warm Springs, Boulder and Galen, PSRO comes in and certifies the medications for reimbursements. There is a problem with the prison, in that type of capability which does not exist.

MR. SOUTH stated there are problems in that the pharmacist is not the one to decide whether or not the doctor is over prescribing drugs. He feels it is important to lessen the litigation problems regarding medical problems that could arise against the state. He feels the main point is getting the money to have the capability to contract.

MR. HOFFMAN stated if the problem is that the physician is over prescribing, this should have been caught, and the contracts renegotiated. However, what this is for the department is a watch-dog approach. He stated the LFA does feel the department does need this capability.

MR. CHISHOLM stated the PSRO as part of their contract with Medicaid and Medicare would not normally go into the prison. He stated they need the ability to contract with someone to assist in the complex medical situations already present. He noted in the past they did ask for the Montana Foundation to come in and evaluate the medical situation at the prison, and their evaluation was an indictment of what they were not doing correctly. He noted that evaluation costs additional money. He noted 1/4 of the litigation is coming from the prison, and medical care is the main problem. He stated they have found medical care in the institution area including the prison not up to where it should be. Part of this arises in not having the proper control or insight as to what was being delivered in the contract.

REP. CONROY stated he sees the problem involved, and feels the main problem is a time factor, where the director wants to get a handle on this as soon as possible.

MR. HOFFMAN stated this individual would also be able to recommend what positions to hire, and types of pay increases, besides the medical review as discussed.

THE CHAIRMAN asked to go into Executive Session at 9:30 a.m.

SEN. THOMAS moved to accept the modified, Exhibit 103, in the amount of \$5,082 for FY82 and \$5,628 for FY83. The motion passed with 5 in favor and 1 opposed. Sen. Johnson Opposed.

MR. HOFFMAN explained some of the amounts are including the revolving accounts in the institution industry program. He stated if the Committee is not going to take action on the Institution Coordinator at this time, then those dollars should be deducted from the Executive request, since they are removed from the LFA request.

REP. CONROY stated since the industry program and the ranch program has not been discussed, he felt action should be detained until later. This was agreed on by the Committee to take this up at a later date.

THE CHAIRMAN asked Mr. Lewis to speak to the Committee.

MR. LEWIS stated one of the problems in the Department of Institutions, is the Director has limited authority over the institutions. He feels it would help by giving the Department Director authority over the budgets. He would like to include language in the Appropriations Act to allow the Director to move money between institutions to administer those monies directly, rather than to the individual superintendents. He feels this would help with regard to management of the department, and reacting to emergencies in the various institutions.

SEN. JOHNSON asked if this was for this biennium only.

MR. LEWIS stated being within the Appropriation Act, it would lapse at the end of the biennium.

MR. HOFFMAN asked Mr. Lewis what form he would anticipate the transferring of funds to take. He asked if this would be a budget amendment or what.

MR. SOUTH stated it would have to be a legal documented budget amendment in each case.

MR. LEWIS stated it would have to have that type of budget amendment so that it could have a clear audit trail. He stated he would like to see this given a chance due to the Director of the Department.

MR. HOFFMAN stated the LFA is opposed to this type of situation for two reasons. One is the subcommittee for institutions has suggested the appropriations be line itemed in each of the areas. He felt on the surface it is a good idea, but he does not feel the Department or the Institution is going to stay on the day to day Personal Services allocations. He feels problems would arise if due to poor management of one institution, another well managed institution would suffer. He stated the Institutions should be based on their own merit.

MR. SOUTH stated one of the areas his department could be faced with

a supplemental is in corrections due to court commitments. He explained the case of a young boy being court ordered to the Yellowstone Boys Ranch at a cost of \$24,000 a year. If the case is lost in court, the Department has to come up with the money.

MR. HOFFMAN stated that Mr. South has mentioned the above court problems. He asked why the other institutions should be penalized because of problems in the corrections division. He felt certain reasons for supplementals can stand on their own merit.

MR. SOUTH stated he feels all the institutions are under one Director and their purpose is to take adequate care of those entrusted to the Department.

MR. LEWIS stated he feels this is an important management tool, to be able to authorize resource reallocations and thus to hold the Director accountable for his Department.

The CHAIRMAN asked to discuss this matter at a later time. There being no further discussion or comments, the meeting was adjourned at 9:45 a.m.



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JACK K. MOORE, CHAIRMAN

DEPARTMENT OF INSTITUTIONS  
 Modified - Consulting Contract

1983 BUDGET

1982 BUDGET

EXPENDITURES

DESCRIPTION	1980		1981		1982 BUDGET		1983 BUDGET	
	Actual	Estimated	Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Exec. Budget	Fiscal Analyst	Exec-LFA Variance
Salaries								
Benefits								
Total Personal Services								
Contracted Services			5,082			5,628		
Supplies & Materials								
Communications								
Travel								
Rent								
Utilities								
Repair & Maintenance								
Other Expenses								
Total Operating Expenses								
Equipment								
Total Program Costs			5,082			5,628		

Exhibit 103

1982 FISCAL YEAR

EXPENDITURES

FUNDING	1980		1981		Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Total Budget	Fiscal Analyst	Exec-LFA Variance
	Actual	Estimated	Actual	Estimated						
General Fund					5,082			5,082		
Other Funds**										
1.										
2.										
3.										
4.										
5.										
TOTAL					5,082			5,626		

CONTRACTED SERVICES

Director's Program

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Contractor	Purpose of Contract	Expenditure ID	Status	FY 80 Actual	FY 81	FY 82	FY 83
Consulting Physician Contract	Review Medical Services at Inst. Programs	2102	M			5,800	6,350
Consulting Travel		2160	M			1,963	2,227
				Less Current Level		(2,761)	(2,987)
						5,082	5,500



CONSOLIDATED PHYSICIAN CONTRACT - 1982

2 Visits per year to each institution

	<u>Mileage</u>	<u>Lodging</u>	<u>Meals</u>
Boulder	60		
Center for the Aged	400	21	24
Eastmont	900	63	48
Galen	150		
Pine Hills	Consolidate with Eastmont		
Mountain View	20		
Swan River Youth Forest Camp			
Veterans' Home	500	42	36
Warm Springs	<u>150</u>		
	2,180 x .20 = 436	x 2 =	872

6 visits per year to Montana State Prison  
 120 x .20 = 24 x 6 = 144

4 days per year availability in Helena

Lodging	252
Mea	216
Mileage	<u>1,016</u>
	1,484

<u>TOTAL</u>			<u>FY 82</u>	<u>FY 83</u>
2102	36 days x 150/day	5,400	5,880	6,356
2160	meals and lodging	<u>1,484</u>	<u>1,963</u>	<u>2,257</u>
		6,584	7,843	8,613
		Less Current Level	(2,761)	(2,985)
		TOTAL	5,082	5,628